

Remittances between countries in regional integration processes: transfers from migrant families Paraguayans in Argentina

Argentina currently receives migratory flows mainly from Latin American countries (LACs); three of them make the greatest contribution to the current volume of foreign residents in Argentina: Paraguay, Bolivia and Chile, in that order. These flows have an ancient beginning and attended a dynamic that started with the demand for labor in the border areas and subsequently shared with the natives internal displacements which led to a sharp concentration on capital city and the province of Buenos Aires.

Data from 2001 census show a clear concentration of the Paraguayan in the vicinity capital of the country of destination: more than 80% of them live in the City and the Province of Buenos Aires and 15% in the bordering provinces (INDEC, 2001).

An analysis of the age composition shows differences between the areas of establishment: Paraguayans living in city and province of Buenos Aires have an average age of between 36 and 40 years, while those living in border provinces averaged between 15 and 20 years more. The gender composition also differs: in the country's total population appear as a predominantly female (sex ratio = 73) and it accentuates this character in Buenos Aires (sex ratio = 56) while approaching the balance of sexes in provinces border, with sex ratios exceeding 80.

Both the high concentration of Paraguayans in the city and the province of Buenos Aires as their gender composition is explained by its insertion preferential in urban activities: more than half of the occupied serves on household chores, construction and commerce (INDEC, 2001).

Referring to changes in the last decade of the twentieth century, it verifies that it is a migratory flow expanding, with a female component and child that is accentuated, as summarized in the table below:

Table 1: indicators of the size and composition of the population born in Paraguay living in Argentina in census dates

	1991	2001	variation
Volume	251.130	325.046	+29,4%
Sex Ratio	78,7	73,5	-6,6%
Proportion of children under 15	4,34	6,00	+38,2%

Source: National Census 1991 and 2001

Thus, the Paraguayans are the main part of foreigners residing in Argentina, are a growing population, young, female and heavily concentrated in metropolitan areas of the country of destination, developing work predominantly urban.

This study examines one of the most important aspects of international migration at present: the remittances that Paraguayans living in Argentina send to their homes in the country of origin.

The remittance is one of the means through which migration, under certain circumstances, could constitute a contribution to the development of countries of origin of migrants, these remittances come mainly from flows south-north, and they constitute for many countries, significant portions of GDP. By the year 2007 remittances received by households in LACs were estimated at 61 billion dollars (Ratha et. Al., 2008) and come primarily from the United States and Europe. Paraguay has followed the global trend of the southern countries and has received increasing amounts in recent years, ranging from 278 million in 2000 to an estimated 450 for 2007 (World Bank, 2008). However these estimates vary widely between different sources.

While a significant portion of those revenues come from developed countries, this paper draws attention to the flows of money between southern countries, and this for two reasons. The first is that there are clear signals about the limitations that migration toward northern countries will face in the coming years: the restrictions imposed in USA since the beginning of the twenty-first century, the recent Return Directive in the European Union, and the oscillations of the economies in developed countries, for example, the reduction in remittances received by Mexico in the first half of 2008 as a

result of the slowdown in demand for foreign labor in some segments of the economy in the U.S. The second reason is that intraregional migration affect populations of fewer resources, for whom remittances can have greater impact on poverty reduction, this is a lower cost migration so, the return on investment is proportionately greater and, finally, between nearby economies, with integration projects, as it happens in the southern cone, the possibility of free movement of workers appears to be more probable than at a global level.

Because of this, the interest of this paper is to analyze in detail the remittance from Argentina to Paraguay, two countries with different development levels, which are carrying forward an economic integration project in the Southern Common Market (MERCOSUR, <http://www.mercosur.int>).

In a macro level, this work examines the impact of remittances on a national scale, which distinguishes its magnitude between rural and urban areas and compares households receiving and not receiving remittances in terms of social, economic, educational, family composition and job placement. The analysis is done comparing the years 2006 and 2007.

At household level, we identify the role played by remittances within strategies diversification of sources of household income, and we inquires about the use given to the money received from abroad in terms of their orientation to savings and investment, or towards consumption. This way we can conclude if remittances are a sustainable resource over time or if they contribute to accentuate dependence. All over the study, it is paid close attention to the difference set by the fact that money remittances are made by men or women. To make inferences about the total volume of money remittances, we analyze the channels (whether formal or informal) through which money circulates.

The information used comes from two sources of data partially independent : the Permanent Household Survey of Paraguay (EPH, DGEEC, 2006, 2007), a nationally representative survey of rural and urban areas, and the Survey Paraguayan Emigration (EEP, 2008), a specific survey on migration held in rural and urban areas of the three departments most exposed to emigration in Paraguay (Central, Caaguazú and Itapúa).

The Permanent Household Survey of Paraguay covers all departments of the country, excluding Alto Paraguay and Boquerón, whose populations account for less than 2% of the total population. The survey applies to people who resides habitually or permanently in private homes. The sample of 5,000 housing units is stratified according to department and the geographic area of residence (rural and urban). It includes Asuncion, and 15 departments in the country (except Boquerón and Alto Paraná, for reasons of cost and time), each department is divided into urban and rural strata. Therefore, the survey is representative of the whole country, urban-rural area. The construction of the sample corresponds to a probabilistic design by conglomerates with probabilities proportional to size, with a two stage stratification.

The survey emigration of Paraguayans (EEP2008) was conducted in 400 households from 22 localities of departments: Central, Caaguazú and Itapúa. The departments were selected, based on data from the EPH, for its greatest potential both, which expel population (measured as a percentage of households with migrants) as remittances receiver. The questionnaire took data from characteristics of each locality (services, community activities, main economic activities), household (composition, housing, education and occupation of members), remittances (receipt, amount, periodicity, use, average received), migratory networks (known people in other countries, aid that is received, offered or expected to be offered, migratory experience of parents or siblings of household chief), members abroad and experience in international migration (reconstruction of the first and last departure from the country).

Households interrogated belong to different categories: with and without current emigrants, with and without migration experience of some member, receiving and non-receiving remittances and they are at different stages of the life cycle. Therefore it is possible to compare at different levels. This survey was conducted in a cooperative manner between the National University of Cordoba (Argentina), the United Nations Population Fund, in Paraguay and the Association of Population Studies of Paraguay, and it was supported by the General Directorate of Statistics, Survey and Census in that country.

So preliminary we conclude that almost 10% households are remittance receivers, that proportion grew markedly since 2002 when it concerned 3% of the total. Remittance receiving households are notably medium class, and the proportion of remittances that are received from Argentina decreases in favor of those coming from Spain, in the measure we consider households with higher incomes . In households with migrants, remittances constitute a significant portion of total revenue, but nationally, they make a small contribution to reducing poverty.

Tentatively we find that a significant proportion of households with the lowest income, can escape poverty thanks to the receipt of remittances and they use those funds for consumption, education and health, in that order. The households from middle-class earmark funds to improve their living conditions mainly through consumption. The first receive remittances mainly from Argentina, the middle class to a greater extent from Spain. In short, households with migrants in Argentina are comparatively poorer and therefore remittances have greater impact there.

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